



FIRST SUPPLEMENTARY TARGET'S STATEMENT

by

**Powerwrap Limited (Powerwrap)
ACN 129 756 850**

In relation to the Offer by

**Praemium Limited (Praemium)
ACN 098 405 826**

The Directors of Powerwrap unanimously recommend that you

ACCEPT

the Praemium Offer in the absence of a superior proposal.

**THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR IMMEDIATE
ATTENTION.**

If you are in any doubt about how to deal with this document, you should consult your financial, legal, taxation or other professional adviser immediately.

henslow

Corporate advisor to Powerwrap Limited

 **Hall & Wilcox**
Lawyers

Legal advisor to Powerwrap Limited



Powerwrap Limited

ACN 129 756 850

FIRST SUPPLEMENTARY TARGET'S STATEMENT

This document is a supplementary target's statement under Section 644 of the Corporations Act 2001 (Cth) (Corporations Act).

It is the first supplementary target's statement (First Supplementary Target's Statement) to the Target Statement dated 31 July 2020 (Target's Statement) issued by Powerwrap Limited ACN 129 756 850 (Powerwrap) and lodged with the Australian Securities and Investments Commission (ASIC) on 31 July 2020, in relation to the offer by Praemium Limited ACN 098 405 826 (Praemium) for all of the shares in Powerwrap which it does not already own (Offer).

This First Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement.

Unless the context requires otherwise, defined terms in the Target's Statement have the same meaning in this First Supplementary Target's Statement. This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this First Supplementary Target's Statement was lodged with ASIC and ASX, and provided to Praemium, on 4 September 2020. Neither ASIC nor ASX nor any of their officers takes any responsibility for the contents of this Supplementary Target's Statement.

The Directors of Powerwrap unanimously recommend that you ACCEPT the Offer promptly. Details on How to Accept the Offer are set out in the Appendix to this First Supplementary Target's Statement.

1 First Supplementary Target's Statement

This First Supplementary Target's Statement provides additional material information relevant to Powerwrap Shareholders in their consideration of the Offer.

2 Praemium's Offer is now wholly unconditional and final; Praemium's relevant interest in Powerwrap Shares exceeds 50%

On 2 September 2020, Praemium declared that the Offer is wholly unconditional and has previously stated that the Offer Consideration of 7.5 cents per Powerwrap Share in cash and 1 Praemium Share for every 2 Powerwrap Shares is final, meaning there will be no increase in the Offer Consideration.

Further, based on acceptances of the Offer to date, Praemium's relevant interest in Powerwrap Shares exceeds 50%.

As the Offer is now unconditional, Praemium will acquire the Powerwrap Shares from all Shareholders who have already accepted the Offer, or who validly accept the offer prior to the close of the Offer Period (at 7.00 pm (Melbourne time) on 21 September 2020, unless extended). There are no further Defeating Conditions that need to be satisfied for this to occur and for accepting shareholders to be entitled to receive the Offer Consideration.

As at the date of this Supplementary Target's Statement, Praemium has received acceptances of the Offer which, together with Praemium's existing holding of Powerwrap Shares, represents 56.01% of Powerwrap's Shares. This means that Praemium will acquire a majority shareholding in Powerwrap, regardless of how many additional acceptances of the Offer are received.

This means that if you do not accept the Offer, you will be a minority shareholder in Powerwrap (unless Praemium proceeds with compulsory acquisition), in circumstances where Praemium has a controlling interest.

The Directors of Powerwrap unanimously recommend that you **ACCEPT** the Offer promptly, so that your acceptance is received before the end of the Offer Period. Details on how to accept the Offer are set out in the Appendix to this First Supplementary Target's Statement.

3 Directors recommendation to ACCEPT the Offer

The Directors of Powerwrap recommend that you **ACCEPT** the Offer as soon as possible.

The reasons for the Director's recommendation to accept the Offer are set out in section 3 of the Target's Statement. In addition to those reasons, it is recommended that you accept the Offer as Praemium will acquire a majority and controlling stake in Powerwrap.

The Directors consider the potential adverse implications of remaining a minority Powerwrap Shareholder to be additional reasons to accept the Offer. These implications include that:

- (a) Praemium will be in a position to cast the majority of votes at a general meeting of Powerwrap Shareholders. This will enable it to control the composition of the Powerwrap Board of Directors, which is responsible for the senior management team and the direction of Powerwrap's business. Praemium has stated, in section 10.5(c) of the Bidder's Statement that it intends to replace some members of the Powerwrap Board with nominees of Praemium in a proportion similar to its voting power.
- (b) Liquidity in Powerwrap Shares may be lower than at present, due to reluctance by investors to purchase Powerwrap Shares, given that Praemium will have a controlling stake.
- (c) Praemium will be able to pass ordinary resolutions of Shareholders (which can, directly or indirectly, give effect to some of the changes outlined in

paragraph (a) above). If Praemium acquires 75% of the Powerwrap Shares, it will be guaranteed the ability to pass a special resolution of Powerwrap Shareholders, which would permit it to take various corporate actions, such as amending the Powerwrap constitution.

- (d) Praemium has stated, in paragraph 10.4 of its Bidder's Statement, that if it owns or controls 75% of the Powerwrap Shares, Praemium intends to apply to have Powerwrap delisted from the ASX. Subject to satisfaction of certain conditions described in paragraph 10.4 of its Bidder's Statement, ASX would not usually require a company in those circumstances to obtain Shareholder approval to delist from the ASX. This means that Powerwrap could be delisted from the ASX, in which case remaining Powerwrap Shareholders who had not accepted the Offer or subsequently sold on-market would hold minority interests in an unlisted public company that may be difficult to sell.

Further risks in remaining a Powerwrap Shareholder are set out in section 10.6 of the Target's Statement, and further reasons to accept the Offer are set out in section 3 of the Target's Statement. Other alternatives are set out in section 11 of the Target's Statement.

All of the Directors who are Powerwrap Shareholders have accepted or will accept the Offer in respect of their Powerwrap Shares.

4 Reasons for accepting as soon as possible

If you accept the Offer soon, you should be entitled to receive the Offer Consideration more quickly. Given the Offer is now unconditional, Praemium is required to provide the Offer consideration by the earlier of one month after the day it receives your Acceptance Form and 21 days after the end of the Offer Period (subject to the qualifications in paragraph 15.14 of the Bidder's Statement).

If you accept the Offer you will then be unable to sell your Powerwrap Shares on market or accept any alternative proposal. However, as explained in section 3.6 of the Target's Statement, your Directors do not consider it likely a superior proposal will be made.

5 Powerwrap's FY20 unaudited preliminary financial results

On 27 August 2020, Powerwrap released to the ASX its Appendix 4E, which sets out its unaudited preliminary financial results for the financial year ended 30 June 2020 (FY20 Results).

The FY20 Results are available on Powerwrap's website (<https://www.powerwrap.com.au/investor/>) and through the ASX announcements platform.

6 Offer Period

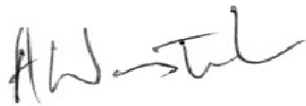
The Offer will close at 7:00pm (Melbourne time) on Monday 21 September 2020, unless further extended in accordance with the Corporations Act.

7 Approval of this First Supplementary Target's Statement

This First Supplementary Target's Statement is dated 4 September 2020 and was approved by a unanimous resolution passed by the Board of Directors of Powerwrap.

Signed by Anthony Wamsteker by and on behalf of Powerwrap in accordance with section 351 of the Corporations Act.

Yours sincerely

A handwritten signature in black ink, appearing to read 'AWamsteker', written in a cursive style.

Anthony Wamsteker
Chairman

4 September 2020

Appendix - How to accept the Offer

Information on how to accept the Offer is contained in sections 1.2 - 1.5 of the Bidder's Statement and your personalised Acceptance Form.¹

You may only accept the Offer for all of your Powerwrap Shares.

How you accept the Offer depends on whether your Powerwrap Shares are held in Issuer Sponsored Holding or a CHESS Holding. This information is shown on your personalised Acceptance Form.

- **Issuer Sponsored Holdings of Powerwrap Shares** (i.e. you have a Security Holder Reference Number starting with the letter 'I' on your personalised Acceptance Form):

To accept the Offer, complete and sign your Acceptance Form in accordance with the instructions on it and return it to the address on the form before the Offer closes.

- **CHESS Holdings of Powerwrap Shares** (i.e. you have a Security Holder Reference Number starting with the letter 'X' on your personalised Acceptance Form):

To accept the Offer, either complete and sign your Acceptance Form in accordance with the instructions on it and return it to the address indicated on the form or instruct your Controlling Participant (normally your broker) in sufficient time to allow them to accept the Offer on your behalf before the Offer closes.

For Participants

If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.4 of the ASX Settlement Operating Rules before the offer closes.

Your acceptance must be received by no later than 7:00pm (Melbourne time) on 21 September 2020.²

For any further information on acceptance of the Offer, including who may accept, please refer to the Offer itself in Sections 1.2 to 1.5 of the Bidder's Statement.

¹ A scanned copy of an executed Acceptance Form is deemed suitable acceptance under the Offer (as stated in Section 1.3 of the Bidder's Statement) with the original following in due course.

² unless further extended in accordance with the Corporations Act.